

Background

In November 2006, California voters passed Proposition 84, which included an allocation of \$54 million of bond funding for the Sierra Nevada Conservancy (SNC). In January 2007, the Governor proposed and the legislature approved \$17 million in grant funds for the SNC for Fiscal Year 2007-08. It is anticipated that the additional bond funds will be appropriated over the next two fiscal years.

During the first half of 2007 the SNC held a series of workshops to assist in the development of Program and Proposition 84 Grants Guidelines. At the July 2007 meeting, the Board approved final guidelines that define eligible project and grant types, grant size limits, availability of funds, selection criteria and how to apply for funding.

The Board also approved a plan to allocate the grant funds as follows: \$9 million has been allocated for a Competitive Grants Program and \$8 million for Strategic Opportunity Grants (SOGs). Of the \$8 million in SOG funding, \$1 million has been allocated to each of the six SNC subregions, and \$2 million for region-wide projects. In August the SNC publicly announced the availability of Proposition 84 SOG funding and invited eligible entities to submit applications for projects.

At the December 2007 meeting, the Board approved awarding of 39 grants for a total of \$2,756,188. The available funds remaining in each of the subregional allocations as of February 29, 2008, are shown in the table below. The amounts reflect the sum of all grants authorized by the Board in December 2007 and five grants authorized by the Executive Officer. Of the total, \$44,530 was authorized by the Executive Officer from the region-wide allocation to augment (by 10%) two previously awarded grants to the California Fire Safe Council to pay for administrative costs accidentally omitted in original authorization. A total of \$199,275 has been awarded in the five Executive Authorizations and one administrative augmentation to date bringing the total amount authorized to date to \$2,955,463.

Table 1 as of Feb. 29, 2008

Subregion	Allocation	Total Authorized to date	Total Remaining
Region-Wide	\$2 Million	707,340	1,292,660
North	\$1 Million	508,109	491,891
North Central	\$1 Million	216,030	783,970
Central	\$1 Million	559,668	440,332
South Central	\$1 Million	492,945	507,055
South	\$1 Million	306,272	693,728
East	\$1 Million	165,099	834,901
TOTAL	\$8 Million	2,955,463	5,044,537

Current Status

Project Development and Evaluation Process

The SNC Proposition 84 Grants Guidelines encourage potential applicants to consult with SNC staff prior to submitting applications. Many applicants have taken advantage of this consultation and report that it has been very helpful in developing their projects and applications. The consultations have also been beneficial for SNC staff by providing them with a better understanding of potential projects and increasing the likelihood that applications address the purpose of Proposition 84 and the mission of the SNC.

Immediately following the December 31st submittal deadline, program staff began reviewing all applications for completeness and applicant eligibility.

Upon determining that an application was complete and eligible for funding, the SNC provided local governments and water agencies with summaries of proposed projects, consistent with SNC guidelines. The Subregional representatives on the SNC Board were also notified at this time, providing an opportunity for them to communicate with the affected entities as well.

SNC program staff consulted with experts in a number of state agencies to review technical aspects of project proposals. Representatives from the Department of General Services (DGS) Environmental Services Branch and the office of the State Attorney General were consulted relative to CEQA (California Environmental Quality Act) compliance and real estate appraisals. This review resulted in a number of projects being found ineligible for consideration at this time.

For those projects found to be eligible, SNC program staff evaluated project applications using the evaluation criteria contained in the Guidelines:

1. Contribution to the protection and restoration of rivers, lakes and streams, their watersheds and associated land, water, and other natural resources (Proposition 84);
2. How the project addresses one or more of the SNC program goals;
3. Demonstrated cooperation, community support and leveraging.

All applications were required to provide evidence of their ability to implement the project and meet environmental requirements. Through the course of the evaluation, staff interacted with numerous applicants to gather additional information and resolve outstanding issues. Project proposals were reviewed with the Board's Subregional committees in late February regarding Subregional priorities and any issues or concerns related to specific projects.

Summary of Applications Reviewed

As part of the second round of application solicitations, the SNC established December 31st as the last day an application could be submitted and still have the potential to be considered at the March meeting. The SNC received a total 79 eligible new applications by that date. These were added to 29 eligible applications that were deferred from the first round of SOGs, for a total of 108 applications reviewed by staff. The total dollar amount requested for all projects in the second round of SOGs was \$12,985,089.

Each of the six subregions produced applications for a broad spectrum of local projects, and several applications were submitted for projects of region-wide significance. Funding requests from subregions varied substantially and reflected a strong interest in the SNC program. Indications are that many more applications are being prepared by entities in all subregions for consideration in the future.

A number of projects are not being recommended for funding at this time. In many instances, these projects lack adequate environmental documentation or may need additional information/refinement. Staff will continue providing feedback to applicants to help improve project ideas for future applications. As previously mentioned, the SNC Grants Guidelines are in the process of being revised to help clarify requirements and streamline application and review processes. A more detailed description of the guideline revision process is described in materials prepared for Agenda Item XIII.

Projects Recommended for Funding

Exhibit A to this report includes both a spreadsheet showing project-specific information as well as individual project summaries for projects being recommended for Board approval at this meeting.

In some cases the recommended grant amount is less than the amount requested. This is primarily the result of some proposed expenditures being ineligible or elements of the projects needing additional refinement before being funded.

Together, the recommended projects directly leverage more than \$6 million in additional funding and in-kind contributions being committed by applicants and others.

The recommended projects most strongly meet the evaluation criteria described above, are able to be implemented on a timely basis, and meet all environmental review and documentation requirements. The 58 projects recommended for funding in this round of Strategic Opportunity Grants will contribute to the completion of three acquisition projects, implementation of 13 site improvement projects, and numerous projects to complete environmental review, pre-project planning, and education. The projects specifically include 35 acres of land to be acquired for habitat and resource protection, due diligence work to acquire up to 10 conservation easements protecting 3,856 acres

of working landscapes, planning and restoration activities to protect 36 miles of streams, and treatment of 3,275 acres of forested land for fire prevention.

Table 2 Staff Recommendations

Subregion	Recommended Projects	Total Recommended	Total Remaining
Region-Wide	11	1,252,589	40,071
East	9	731,796	103,105
South	8	536,992	156,736
South Central	8	507,055	0
Central	6	428,967	11,365
North	5	444,095	47,796
North Central	11	673,826	110,144
TOTAL	58	4,575,320	469,217

Region-Wide Significance: \$1,252,589

Eleven projects are being recommended for funding as projects with Region-wide significance. Projects recommended for funding under this category will complete research, assessments, appraisals, educational efforts, and publications for much or all of the SNC jurisdictional area.

East Subregion: \$731,796

Nine projects are being recommended for funding in the East Subregion. Projects would provide fuels treatment, watershed assessments, water quality monitoring, and implementation of projects to prevent soil erosion and restore public trails. Projects would provide environmental education to school children and the general public and build awareness to encourage participation in volunteer activities. Projects would also complete a recreation plan and support a land tenure planning process. Proposed projects are located in Alpine, Mono and Inyo counties. Full funding of these projects will leave \$103,105 of the \$1,000,000 allocated for this Subregion. It is anticipated that additional projects already submitted to the SNC may be presented to the Board in June 2008 to fully expend these funds.

South Subregion: \$536,992

Eight projects are being recommended for funding in the South Subregion. Two of the project would provide visitor access and education plans for two different preserves. Other projects would provide watershed restoration, revegetation, and river clean-up efforts. The projects would also complete the required environmental review process for future site improvement projects and fund environmental education in school classrooms. Finally, projects would conduct agri-tourism workshops and develop and distribute educational resources to support local economic development. Project locations are proposed in Madera, Fresno, and Tulare counties. Full funding of these projects will leave \$156,736 of the \$1,000,000 allocated for this Subregion. Staff recommends that additional

applications be accepted in the South Subregion to ensure that there is an adequate number of projects to recommend during the June meeting to expend the remainder of the funds. In order to meet timeline requirements, applications would be accepted until March 21.

South Central Subregion \$507,055

Eight projects are being recommended for funding in the South Central Subregion. Projects would provide for fuels treatment, watershed planning and restoration, pre-acquisition work, resource assessments and a native demonstration garden and education center. Project locations are proposed in Amador, Calaveras, Tuolumne and Mariposa counties. Full funding of the recommended projects will expend the \$1,000,000 allocated for this Subregion.

Central Subregion: \$428,967

Six projects are being recommended for funding in the Central Subregion. Projects would provide outdoor education on watershed and forest health issues for high school students, research on potential mechanisms for mitigation of mercury in our watersheds, floodplain and stream restoration design, fire-safe education, and trail alignment work in the Subregion. Projects are located in El Dorado County, Nevada County, and Placer County. Full funding of the recommended projects would leave \$11,365 of the \$1,000,000 allocated for this Subregion.

North Subregion: \$444,095

Five projects are being recommended for funding in the North Subregion. Projects would provide for fuels treatments, watershed restoration, restoration planning, and a how-to guide for considering reuse of mill/mine sites. Projects are located in Lassen County, Modoc County, and one project that covers both Lassen and Modoc. Full funding of the recommended projects will leave \$47,796 of the \$1,000,000 allocated for this Subregion. It is anticipated that additional projects already submitted to the SNC may be presented to the Board in June 2008 to fully expend these funds.

North-Central Subregion: \$673,826

Eleven projects are being recommended for funding in the North-Central Subregion to complete appraisal work, fuels reduction, water management planning, hatchery aquaculture and wastewater improvements, noxious weed mitigation, watershed education, and acquisitions of important watershed lands in the Subregion. Projects are located in Butte County, Plumas County, Sierra County, and one project covers all four counties in this Subregion. Full funding of these projects will leave \$110,144 of the \$1,000,000 allocated for this Subregion. It is anticipated that additional projects already submitted to the SNC may be presented to the Board in June 2008 to fully expend these funds.

Reporting of Executive Authorizations: \$88,745

The SNC received three applications requesting Executive Officer approval since the last Board meeting. Consistent with the SNC Board Resolution 2007-001 and the Proposition 84 Grants Guidelines, projects in Table 3 were authorized grant funding by the Executive Officer based on the time-sensitive nature of the projects.

Table 3 Executive Officer Authorizations

Project Name	Project #	Grantee	Description	Dollar Amount
Modoc Line Land Acquisition Evaluation and Management Plan	070252	Lassen Land and Trails Trust	Complete pre-acquisition activities necessary for the purchase of the Modoc Rail Line to maintain the corridor in single ownership and provide environmental, water quality, recreational and other benefits within the 15 watersheds traversed by the rail line.	\$39,090
Smart Growth Conference	070001	Central Sierra Resource Conservation & Development Council, Inc.	Produce the First Regional Smart Growth Conference, a two-day, educational event for the South Central and Eastern Sierra Nevada regions.	\$20,000
Big Meadows Post-Project Monitoring and Technique Training	070181	Fly Fishers for Conservation	Conduct post-project monitoring in Big Meadows within Giant Sequoia National Monument.	\$29,655
TOTAL				\$88,745

All of the subregions, except the South, have received enough eligible, quality project proposals to expend the virtually all of the remainder of their allocation by the June meeting. Additional CEQA review and processing will clear these pending projects for possible consideration in June. Pending approval of this recommendation, additional applications for SOG grants will only be accepted for the South subregion for funding up to \$156,000. Since all funds from the SNC's current budget must be encumbered by June 30 of this year, staff is seeking Board authorization to consider that any remaining

funds in subregional allocations, along with funds from the SOG Regionwide and Competitive Grant allocation be eligible for funding grants from any subregion subject to Board approval at its June meeting. Efforts will be made to keep funding in the subregion where originally allocated.

CEQA Compliance

A total of 38 projects being recommended do not require CEQA documentation due to the nature of the actions being recommended and have been included in a memo prepared for the Conservancy.

Twenty projects being recommended require the Conservancy to complete a Notice of Exemption and file with the State Clearinghouse. Notices of Exemption have been prepared for review and will be filed upon Board approval.

Addendum 1 to the Board packet contains all notices referenced above.

Staff Recommendation

Staff recommends the Board authorize [Strategic Opportunity Grants listed in Exhibit A](#), and further authorize staff to enter into all necessary agreements and file the appropriate CEQA documentation with the State Clearinghouse for all projects.

In order to ensure full encumbrance of SNC's FY 07-08 Proposition 84 funds by June 30, staff further recommends that the Board authorize the pooling of remaining funds from the individual Subregional and Regionwide SOG allocations to be used to fund grants in any category or subregion, subject to Board approval at its June meeting. To the extent possible, staff will recommend projects in the subregion where the remaining funds were originally allocated.

SIERRA NEVADA CONSERVANCY PROGRAM GUIDELINES

Proposition 84 Grants Guidelines

FY 07-08 - \$17 million*

Other Future Grant Guidelines

(None available at this time)

Competitive Grants [Section II]

- \$9 million for entire SNC Region
- Annual application deadline
- For grants between \$50,000 and \$1,000,000
- Authorized by SNC Board
- Eligible project types:
 - o Acquisition
 - o Site Improvements/Restoration

Strategic Opportunity Grants (SOGs) [Section III]

- \$1 million per Sub-Region (\$6 million total)
- \$2 million for regionwide projects
- Applications accepted any time
- All project types eligible
- Authorizations and grant amounts differ by SOG Category (see below)

SOG Category 1

- For grants of less than \$50,000
- For acquisition and site improvement projects only
- Authorized by SNC Board

SOG Category 2

- For grants of less than \$50,000
- For all project types except acquisition and site improvement
- Authorized by SNC Board or Executive Officer, depending on timing needs

SOG Category 3

- For grants of \$50,000 or more (no upper limit)
- For all project types except acquisition and site improvement
- Authorized by SNC Board